WORLD TRADE

ORGANIZATION

RESTRICTED

G/LIC/N/3/ECU/1

2 October 1995

(95-2948)

Committee on Import Licensing

Original: Spanish

REPLIES TO QUESTIONNAIRE ON IMPORT LICENSING PROCEDURES

<u>NOTIFICATION UNDER ARTICLE 7.3 OF THE</u> <u>AGREEMENT ON IMPORT LICENSING PROCEDURES</u>

ECUADOR

The following notification has been received from the Permanent Mission of Ecuador.

Description of the current regime

1. The State of Ecuador guarantees the right of any natural or legal person residing in Ecuador to carry out foreign trade operations. Before obtaining an import licence, it is necessary to complete a declaration on the appropriate form and submit it to the Central Bank of Ecuador, together with a note or letter requesting a licence.

The import licence regime has been duly publicized and is well known to agents involved in foreign trade. It is not intended to restrict the quantity or value of imports.

Licences apply to imports from any origin and they are automatically approved before the dispatch of imported goods. Attached is a schedule of goods which require an import licence (Annex A).¹

2. Any importer who meets the requirements to obtain an import licence for goods subject to prior authorization by the competent public bodies may import such goods. The Central Bank of Ecuador requires submission of the authorization given by the competent authority. If the competent public bodies consider that the use of such products does not present an undue risk to health, security and the environment, they will issue the authorization.

The import of goods which are dangerous to human or animal health, arms and ammunition and products which have an adverse environmental impact require prior authorization. There is no intention whatsoever to restrict the quantity or value of such goods.

3. Because there is a free import regime, the import licence is used primarily for statistical purposes.

4. The Central Bank of Ecuador issues the import licence not more than three working days after it has been applied for.

¹Available in Spanish only for consultation in the Secretariat (Office No. 2014).

5. Goods which arrive in a port without an import licence may be cleared by customs subject to payment of a fine equivalent to 10 per cent of the c.i.f. value of the goods.

6. Customs clearance of goods in warehouses or on the sites of trade fairs does not require an import declaration endorsed by the Central Bank of Ecuador.

7. Import licences must obligatorily be obtained before the goods are shipped and not afterwards.

8. The Central Bank is the only body which issues import licences and there are no restrictions regarding the period of the year in which an import licence may be applied for.

9. Import licences are not refused because of slight errors in the documentation. They are returned to the importer if they contain important errors, for example, relating to the signatures; the numbers in the Single Register of Taxpayers; the identity number or land register number of the importer, depending on the circumstances; in connection with tariff headings; incorrect calculations or inaccurate description of goods. Once the errors have been rectified, the importer may resubmit the application.

10. The Central Bank does not publish the names of the natural or legal persons importing goods listed in its registers.

11. Importers may only register with the Central Bank and, to do so, must fill out forms showing their domicile, citizenship and tax details, and registration of the signatures of the persons responsible for endorsing the import documents.

12. In order to clear the goods, the importer must submit to the customs, in addition to the documentation from the Central Bank, a final verification formula called the "Customs Declaration", which is used to calculate and subsequently pay the tariff duties.

13. The import licence form costs US\$0.20 and no deposit or prior payments are required in order to obtain the licence.

14. Import licences are usually valid 180 days from the date of issue. This period may be extended for up to two years.

15. There are no sanctions for non-utilization of part utilization of the import licence. If the licence is not used within the period of validity, the importer may request cancellation of the licence and must rapidly return all the documents to the Central Bank of Ecuador.

16. An importer who has obtained the corresponding import licence may request an extension for the totality or the unutilized part, provided he does so within the period of validity of the import declaration and only if the dispatch or shipping has not been effected.

17. The regulations do not provide for transfer or assignment of licences as between importers.

18. Importers may obtain the foreign currency necessary for their transactions on the free exchange market; the exchange regime is free and there are no restrictions on access.